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USDS SDNY DOCUMENT ELECTRONICALLY FILED DOC #: DATE FILED: 2-6-08

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February 6, 2008

VIA FACSIMILE

Hon. P. Kevin Castel, U.S.D.J.
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St., Room 2260
New York, NY 10007

Re: Gottdiener v. Friedman, et al., Case No. 07 Civ 9436 (PKC)

Dear Judge Castel:

This firm represents the defendants in the above-referenced action. With the consent of plaintiff's counsel, we write pursuant to Rule 1.E. of your Honor's Individual Rules of Practice to request that the Initial Pretrial Conference currently scheduled for February 15, 2008 be postponed. This is the defendants' second request to adjourn the Initial Pretrial Conference. The Court granted our first such request on December 7, 2007.

This case is a derivative action against officers and directors of Tarragon Corporation ("Tarragon"). The plaintiff is a Tarragon shareholder and Tarragon itself is a nominal defendant. The complaint alleges that defendants breached their fiduciary duties to Tarragon by failing to implement or ensure compliance with adequate administrative and financial controls which, *inter alia*, resulted in the company issuing material misstatements in its public filings. The factual allegations contained in the complaint are largely identical to the allegations made in In re Tarragon Corporation Securities Litigation, Case No. 07 Civ 7972 (PKC), the securities class action involving Tarragon that is pending before your Honor.

On December 5, 2007, the Court entered a Stipulation and Order extending defendants' time to answer or otherwise respond to the complaint in this matter until 45 days after the filing of an amended complaint in the Tarragon securities class action. An amended complaint was filed in the securities class action on January 18, 2008. Accordingly, the defendants in this case have until March 3, 2008 to answer or otherwise respond to the

*Conference adjourned from
Feb 15 to 9:30 a.m.
June 13, 2008 at 50 ORDERED.
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complaint. The defendants intend to move to dismiss the complaint, and pursuant to the December 5, 2007 Stipulation and Order, plaintiff will have until April 17, 2008 to file an opposition to the motion and the defendants will then have until May 19, 2008 to file reply papers.

The December 5, 2007 Stipulation and Order also provides that discovery in this case will commence with and be coordinated with discovery in the securities class action. However, under the Private Securities Litigation Reform Act, discovery in the securities class action will be stayed during the pendency of the motion to dismiss in that case. See 15 U.S.C. §78u-4(b)(3). Thus, because the motion to dismiss in the securities class action will not be fully submitted until May 19, 2008, discovery in this action will not commence for more than three months. As a result, we believe that having the Initial Pretrial Conference and drafting a Case Management Plan would be premature at this point.

In addition, we note that the Court recent adjourned the Initial Pretrial Conference in the securities class action until June 13, 2008.

We have conferred with plaintiff's counsel and they do not oppose postponing the February 15th conference.

Respectfully,

 /DRL
Eliot Lauer

cc: Joshua M. Lifshitz, Esq. (via email)